

INTERMYER ASSAILS UNDERWRITING PLAN

Says Insurance Corporations Buy Stocks Backed by Their Own Heads.

OFFICERS ALWAYS WIN

Can Unload on Their Companies, Which Pay for Any Losses.

GET COMMISSIONS TOO

Henry Evans, Chairman of Three Boards, Admits Profits in Sugar Transaction.

The manner in which financiers profited through underwriting large blocks of stock and turning them over to companies in which they were interested was disclosed yesterday at the resumption of the Lockwood committee's investigation into insurance companies.

Virtually in every instance cited the companies lost money. The underwriters apparently assumed no risk of loss, since they were able without difficulty to unload the stock upon the companies under their control.

Samuel Untermyer, counsel for the committee, turned the investigation toward fire insurance companies in an effort to support his contention that the investments of these companies should be restricted in the same manner as life insurance companies. A bill to this effect will be recommended to the next Legislature.

"What we are proposing to show," said the counsel, "is that the companies which fire insurance companies buy securities in syndicates, that the officers get underwriting commissions and the insurance companies get the securities on which there have been large losses."

The inquiry brought out the names Henry Evans, chairman of the boards of the American Eagle Fire Insurance Company and the Fidelity Phoenix Fire Insurance Company of New York; William Woodward of the Hanover National Bank; Cornelius N. Bliss, Jr., Daniel G. Reid, George Davidson, William L. Matheson and Louis L. Clarke as being among the financiers who were shown to have frequently made profits from underwriting transactions.

Evans Admits Gains.

Mr. Evans admitted that his companies sustained a loss of \$220,869 on the purchase of a block of stock of the Cuba Cane Sugar Company through subsequent depreciation, while he personally made a profit of \$19,872 from the syndicate underwriting in which he was a participant.

Some of the syndicates in which Mr. Evans and others took a prominent part were those organized to sell the stock of the B. F. Goodrich Company, the Pierce-Arrow Company and the Pan American Petroleum Company. In each instance Mr. Untermyer produced figures showing that the stock had decreased in value during the period it was held by the companies and considerable losses were entailed. The preferred stock of the Cuba Cane Sugar Company, which was issued at par, is now selling around 23, the testimony showed, and the common stock which at one time had a market around 59 is now selling at 16 or 18.

Robert V. White of the firm of J. & W. Seligman & Co. testified as to various amounts which prominent financiers made as profits from the underwriting of this stock. Cornelius N. Bliss, Jr., took no stock, but received a profit of \$2,663 from underwriting 200 shares of preferred; Louis L. Clarke received \$14,961 for 750 shares of preferred, and Daniel G. Reid netted \$59,617 for the underwriting of 3,000 shares of preferred and 2,100 shares of common. Other stock underwriting undertakings produced similar profits.

The Underwriter's Profit.

Mr. Untermyer produced a list of the directors of the American Eagle Fire Insurance Company, the Continental Fire Insurance Company, the Home Insurance Company and the Fidelity Phoenix Fire Insurance Company, and Mr. Davidson, Mr. Matheson and Mr. Reid as directors in the Continental and Mr. Bliss and Mr. Clarke as directors in the Home Insurance Company.

The Steel and Tube Company of America, according to the testimony of Jackson P. Olcott of Dillon, Reed & Co., delivered their stock to the Van Klee firm at 90, the underwriters got it at 93 and the public paid 98. The stock was offered to well known underwriters, who, according to the custom, guaranteed that the syndicate would dispose of it.

"If the underwriter can sell the stock to his companies he does not have to take any of it at all; he just gets the profit," said Mr. Untermyer.

"Yes, that is right," replied Mr. Olcott. "You are aware, are you not, that it is considered quite a privilege for a man to be on the list of underwriters?"

"I should say it was."

"And it is quite a source of profit through the year to the men who are on that list, isn't it?"

"Yes."

DUTCHESSE DESIGNATES WEBB FOR SENATOR

Scion of Two Noted Families Advances in Politics.

The Dutchess county committee meeting at Poughkeepsie yesterday adopted resolutions endorsing the administration of Gov. Miller and declaring that he "should be and will be re-nominated."

Senator James E. Towne of Dutchess, who has served in the Legislature for nine years, declines a re-nomination. The county committee designated in his place Assemblyman J. Griswold Webb.

Mr. Webb, who is ending his third term in the Assembly, is a son of the late Walter Webb of New York and a nephew of Dr. William Seward Webb, who married a daughter of William H. Vanderbilt.

His grandfather was John A. Griswold of Troy, capitalist, who furnished the money with which John Edinboro built the Monitor in the civil war.

He entered politics after his graduation from Yale in 1913 and an honorable service in the world war. He said yesterday:

"I went into politics because I felt there was a real need for men in our public offices to-day who go into the work not for what they can get out of it, but rather for what they can put into it for the good of the State and the nation as a whole."

MARCONI NOT EXPECTING ANY SIGNALS FROM MARS

Experiments on Yacht While Crossing Atlantic Were Along the Lines of Short and Long Wave Transmission.

Guglielmo Marconi, perfecter of wireless telegraphy and telephony, will arrive in New York this morning aboard his yacht Elettra, his floating laboratory. While crossing the Atlantic he conducted a long series of experiments with short and long wave transmission in the region between the Azores and the Bermudas. Replying last night to a radiogram sent to him by the Associated Press, Mr. Marconi said: "Have no sensational announcement to make."

That Mr. Marconi has been endeavoring to establish wireless communication with the planet Mars is not taken seriously by electrical engineers, who said yesterday that the great Italian's time is too valuable to be wasted in romantic futilities. It is true that Mr. Marconi, last winter, intercepted a wave length of apparently 150,000 metres length, an unearthly thing, since no known wave length employed by mankind even approximates that figure, and he was so much interested and astounded even that he suggested the possibility of a message having arrived from somewhere out of the ether beyond the earth, possibly from Mars. But he said at the same time

that for man to project a message to Mars would require a station of at least 1,000,000 horsepower.

The nature of Marconi's experiments while crossing the Atlantic has been kept secret, it was said yesterday at the office of John Elwood, secretary of the Radio Corporation, who is to greet Mr. Marconi on his arrival here this morning; not even Mr. Elwood, who has been in occasional marconigram touch with the inventor, being aware of what was aimed at and attained in the experimental work. Mr. Elwood is arranging a dinner in Mr. Marconi's honor and this will be held in the week of June 18.

On Tuesday night Mr. Marconi will lecture before a joint meeting of the Institute of Radio Engineers and the American Institute of Electrical Engineers, and in this lecture it is anticipated he will discuss the nature of his recent work. He comes to the United States on this occasion for the purpose, in part, of demonstrating how accurately wireless transmission of messages can be achieved at the rate of 100 or more words per minute. He expects to leave the United States in time to arrive in England by the middle of July.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., June 15.

After fourteen years of study, experiment, discussion and discussion the Interstate Commerce Commission to-day took the first positive step toward installation of automatic train control devices on all railroads of the United States.

The commission issued an order requiring forty-nine of the largest roads to proceed as expeditiously as possible toward installation of automatic train controls, on at least one passenger division.

All of the railroads out of New York are affected by the order, and in many cases the automatic train controls are to be installed on one out of New York city, although such work was protested by the railroads.

All trackage on four, eight or even ten track lines must be equipped with automatic control in many cases to supplement the block signal system. Every locomotive entering the division selected for the improvement must likewise be equipped with the new device.

Under the law the railroads must have two years' notice. The commission has given them until January 21, 1925, to complete the work regarded as controlling the device should be further tested, the safety of lives of passengers and train operatives in the United States.

The railroads are given until January 1 next to report to the commission the progress of the work. Thereafter they must report each month on the progress of the work of installation.

In last January the Interstate Commerce Commission issued an order upon the forty-nine railroads of New York to show cause why installation should not be made. Hearings were held in the spring. The railroads advanced many reasons against installation. They urged that the device should be further tested and one finally selected and made standard. The New York Central, among others, was unwilling to install electrical devices on tracks over which heavy traffic caused difficulties involved with third rail electric trains. Roads using the same trackage could not get together.

Inventors and makers of automatic control devices nearly everywhere, the commission with arguments for immediate and general installation of control devices.

The order issued by the commission to-day provides for installation on forty-nine divisions averaging 100 miles each, a total of nearly 5,000 miles of single track road. Many of the divisions, however, have heavy traffic and quite a number are four track lines, which will greatly increase the total.

Denies Making Promise TO WED FRENCH GIRL

Major Feeny Says He Never Even Discussed Marriage.

George B. Brooks of 58 Pine street, attorney for Major John L. Feeny of the firm of Green & Hurd of 43 Exchange place, who was named as defendant Wednesday in a breach of promise suit brought by Miss Catherine de Cathelineau, yesterday issued the following statement:

"Yesterday Miss de Cathelineau, through her attorney, Milton Greengard, began an action for breach of promise against my client, Major John L. Feeny. Under the law an order of arrest in such an action is granted as a matter of course, and this wholly unnecessary step was taken although the plaintiff and her attorney well knew that Major Feeny had since his birth been continually a resident of New York, and had no reason for supposing that my client was temporarily would leave the jurisdiction.

"It is due Major Feeny to state that he has known Miss de Cathelineau since 1918 and has, in various ways, sought to befriend her; that never under any circumstances has he made any statement that could be construed as a promise of marriage or discussed with her or even considered such a marriage. Major Feeny, having suffered this distressing notoriety, following upon his refusal to settle a demand which has not the slightest basis either in law or morals, is unwilling to discuss the matter further, but will await for his vindication the trial of the action, which he will in every way hasten and facilitate."

KIDNAPED IN MICHIGAN, BROUGHT HERE, SAYS BOY

Tells of Long Motor Trip and Desertion by Two Men.

Patrolman James Greaney of the Clinton street station, walking in Rivington street near Eldridge at 1 o'clock this morning, found a twelve-year-old boy, who said he was kidnapped last Monday in Mount Clemens, Mich., and brought to New York by two men in an automobile. They reached here last night about 8 o'clock, the boy said, and the two men told him to get out and have a look at the town.

The boy said his name was Davis Fischer of 31 South avenue, Mount Clemens. When playing in a street near his home, he said, two men came along in a car and told him to get in and take a ride. He did, and they brought him to New York, he asserted. The police sent him to the Children's Society, and will notify the Mount Clemens police.

JUDGMENT AGAINST HUNTRESS.

A judgment for \$4,912.25 was entered in the Supreme Court yesterday against Lady Grace Esme Mackenzie, explorer and African big game huntress, who was sued this week by Jacob Monsko, owner of the Herald Square Press, for breach of contract in the publication in December, 1919, of her book, "The Broadway of Jewland." Lady Mackenzie has countered with an action to recover \$10,000 for alleged breach of contract.

JUDGE MINTYRE RECOVERS.

Judge McIntyre of the Court of General Sessions, who was taken ill Tuesday afternoon and went to the sanitarium of Dr. Jacob Glass, 43 Second avenue, returned yesterday to his home at 163 West Seventy-seventh street. He was reported much improved, and it is expected he will return to his court within a few days.

FORMER BANK CLERK SUICIDE.

Edward Thorne Clarke, aged 50, shot himself last night when in the bedroom of his home, at 27 West 14th street. He was formerly employed as a clerk in the Chase National Bank, but had been out of work for about six months.

CITY GARAGES PLANNED TO END STREET PARKING

Police Making Survey for Housing of Cars.

The Police Department is making a survey of the city with the idea of establishing municipally owned and operated garages in various sections to take parked automobiles off the streets and lessen the traffic problem.

This was learned yesterday when the department replied to the Board of Estimate in regard to a proposal that a private concern had made to build public garages to care for the cars that are parked in the streets.

The report on the survey will be transmitted to the Board of Estimate as soon as it is completed.

ENRIGHT, WHEN SAILING, LEFT DON'TS FOR POLICE

Be Honest, Truthful and Sober, He Advised.

When Police Commissioner Enright went abroad to study police systems and methods of Europe he left behind for the force another booklet of "Don'ts." Every policeman was treated to one of these digests, which supplements the first list of "don'ts" addressed to citizens on April 5, while the crime wave was rolling high.

The Commissioner admonished his rank and file to be courteous, neat, soldierlike, honest, truthful and sober; to scrutinize night letterers and all persons who seem to be where they have no business to be, to know everybody on their posts and to study their habits, and to keep a close mouth about police work. He warns against arrests for trivial offenses when warnings would serve.

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ALLROADS TOLD TO USE SAFETY DEVICE

Without Delay Train Control Apparatus.

I. C. C. Issues Orders to Install Without Delay Train Control Apparatus.

ENDS 14 YEARS FIGHT

Lines Given Until Next January 1 to Report on Systems They Select.

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Parsons Inaugurates Campaign at Ogdensburg.

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Mr. Parsons said a new enforcement district would be established for Northern New York, with headquarters at Malone. A large force of dry agents is to be scattered along the frontier to cover all roads crossing the boundary line.

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RUM TUG SEIZURES BARE MORE OF PLOT

Two Arrests, With Others Soon, Follow Blow Struck at Coast Smugglers.

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WHISKY MADE OF IODINE

\$50,000 Seizure in Jersey City

Railroad Car, Supposed to Contain Furniture.

Treasury agents seized two oceangoing tugs and three barges along the Long Island Sound and Atlantic coasts yesterday night and made two arrests in connection with an alleged plot to use the boats for smuggling liquor. The prisoners are Aaron Abrutyn, an official of the Globe Steamship Company, and Elias Berlow, head of a forwarding concern at 149 Broadway.

The two men were arrested on a complaint sworn to by Jeremiah Dillon, collector of Customs at New London, Conn., who said large quantities of liquor were landed from the steamship Krona at or near City Island, after it had been taken out of the port of New York for transportation to Greece. The Krona is owned by the Globe Steamship Company, and according to William Haywood, United States Attorney, will be seized if it comes again into this port.

Capt. Herman Houseman and Frank Bozmin, engineer of the tug Lockwood, seized the Krona at New Bedford, Mass. The tug Lockwood, which was found in the East River off Pike street, was one of the vessels seized by the authorities Wednesday night. The others were the tug Kentucky of New London, seized at Stanton street and the East River, the barges City of Malden and City of Boston, seized at New London, and the barge Leonard, seized at New Bedford, Mass.

The United States Attorney alleges these vessels were used to transport 40,000 gallons of alcohol and 2,000 cases of whisky from the steamship Krona to New York City and City Island.

Special Treasury Agents Norwood and Williams held warrants for several other persons besides the ones already arrested.

Abelardo Zaragaza of the Seamen's Home at 25 South street, was held for Special Sessions by Magistrate Simpson in Jefferson Market on a charge of selling, as Scotch whisky, a concoction which a chemical report said was a dangerous mixture of water and iodine.

Joseph Bortolin, chauffeur for Antonio Casase, of the alleged rum running ship Riple, was indicted yesterday by the Grand Jury in Brooklyn, charged with conspiracy to violate the Volstead act. His trial was set for June 26.

A freight car supposed to contain furniture but which contained whisky, gin, wines and champagne worth about \$50,000, was seized in the Lehigh Valley Railroad yards at Jersey City by Agent Samuel C. Brown and his assistants.

The car was shipped by the Savannah Bonded Warehouse Company, and was consigned to Louise Richardson, Jersey City, no address given.

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